

## Message Text

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PAGE 01 LAHORE 01484 181215Z

13

ACTION NEA-10

INFO OCT-01 ISO-00 FEA-01 AEC-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-04 FPC-01 H-01 INR-05

INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 RSC-01 SAM-01

OES-03 SP-02 SS-15 STR-01 TRSE-00 FRB-01 PA-01

USIA-06 PRS-01 AGR-05 SWF-01 /089 W

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R 150546Z NOV 74

FM AMCONSUL LAHORE

TO SECSTATE WASHDC 231

INFO AMCONSUL KARACHI

AMEMBASSY ISLAMABAD

AMCONSUL PESHAWAR UNN

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E.O. 11652: N/A

TAGS: ENRG, PK

SUBJECT: WATER AND POWER CRISIS

REF: LAHORE 1442

FOLLOWING LATE DEVELOPMENTS UNDERScore EVOLVING WATER  
AND POWER CRISIS IN NORTHERN PAKISTAN:

1. ACCORDING TO NOV 13 PAKISTAN TIMES, GOP FUEL,  
POWER AND NATURAL RESOURCES MINISTER KHATTAK ON NOV 12  
DIRECTED WAPDA TO LAUNCH IMMEDIATE POWER ECONOMY DRIVE  
AND TO MAKE FULL USE OF "SURPLUS GENERATING CAPACITY"  
TO MEET IMPENDING "SERIOUS SHORTAGE" OF POWER GENERA-  
TION EXPECTED IN NORTHERN GRID ZONE DURING COMING  
WINTER MONTHS. PAPER QUOTED MINISTER'S OFFICIAL  
STATEMENT CALLING ON WAPDA TO LAUNCH CAMPAIGN TO MAKE  
PUBLIC AWARE OF NEED TO ECONOMIZE ON POWER CONSUMPTION

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PAGE 02 LAHORE 01484 181215Z

AND TO INSURE THAT PUBLIC UNDERSTANDS NEED TO

AVOID DECORATIVE AND ADVERTISING LIGHTING AND OTHER NON-ESSENTIAL USE OF ELECTRIC POWER. STATEMENT ADDED THAT WAPDA HAS BEEN ORDERED TO SURVEY POWER GENERATION CAPACITY THROUGHOUT COUNTRY, INCLUDING STANDBY PLANTS IN INDUSTRIAL ESTABLISHMENTS, AND TO MAKE PLANS FOR FULL AND EFFECTIVE USE OF THIS CAPACITY DURING COMING WINTER. MINISTER ALSO ANNOUNCED APPOINTMENT OF COMMITTEE HEADED BY SECRETARY OF HIS MINISTRY TO MAKE SPECIFIC RECOMMENDATIONS AS TO HOW APPROPRIATE PLANTS COULD BE ASSURED OF REQUIRED SUPPLIES OF COAL AT "RATIONALIZED PRICES."

2. WAPDA GENERAL MANAGE FOR POWER GENERATION AFTAB SAEED KHAN TOLD CONGEN OFFICERS NOV 13 AT RECEPTION IN- AUGURATING COMMERCIAL LIBRARY THAT ARTICLE WAS ACCURATE AND THAT WAPDA WAS MOVING AS FAST AS POSSIBLE TO COMPLY WITH MINISTER'S ORDERS. HOWEVER, KHAN ONCE AGAIN CONTENDED THAT HE FORESAW NO PARTICULAR PROBLEM FOR ELECTRICITY CONSUMERS, BECAUSE WAPDA WOULD BE ABLE TO GENERATE SUFFICIENT SUPPLY OF ELECTRICITY THROUGHOUT WINTER FROM THERMAL SOURCES. (INTER ALIA, HE CONFIRMED REPORT WE HAD EARLIER FROM UNDP ADVISOR PRAZAK THAT WATER INFLOW TO MANGLE RESERVOIR HAD DROPPED FROM 11,000 TO 3,000 CUSECS DURING PAST WEEK, DRASTICALLY REDUCING PROJECTED WATER STOCKS. KHAN ADDED THAT WATER INFLOW TO WARSAK RESERVOIR IN NWFP HAD ALSO DECREASED SUDDENLY, AND --- IN TYPICAL PAKISTANI FASHION -- EXPRESSED SUSPICION THAT BOTH INDIA AND AFGHANISTAN WERE ILLEGALLY DIVERTING WATER IN UPPER JHELUM AND KABUL RIVERS FOR THEIR OWN PURPOSES. HE SAID GOVERNMENT HAD NOT INQUIRED ABOUT THIS FROM EITHER INDIAN OR AFGHAN GOVERNMENTS, AND HE DOUBTED THAT GOP HAD ANY PLANS TO DO SO.) HOWEVER, KHAN WAS BEING BESEIGED BY SIMILAR QUESTIONS FROM OTHERS AT RECEPTION, AND HIS COMMENTS MAY HAVE MERELY REPRESENTED ATTEMPT TO PROTECT HIS OWN ORGANIZATION.

3. NOV 14 ISSUE OF GOVERNMENT-CONTROLLED DAILY IMROZE CARRIED ARTICLE REPORTING MEETING OF REPRESENTATIVES OF INDUSTRIAL AND COMMERCIAL FIRMS WITH TOP WAPDA OFFICIALS NOV 13. MEETING WAS APPARENTLY CALLED BY WAPDA TO BETTER EXPLAIN POWER CRISIS AND TO ASK FOR COOPERATION OF LIMITED OFFICIAL USE

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PAGE 03 LAHORE 01484 181215Z

BUSINESSMEN. GENERAL MANAGER FOR POWER DISTRIBUTION HAMID REPORTEDLY TOLD BUSINESSMEN THAT UNLESS THEIR FULL COOPERATION WERE RECEIVED, WAPDA WOULD HAVE NO CHOICE BUT TO CUT OFF POWER COMPLETELY DURING CERTAIN HOURS EACH DAY IN WINTER. HOWEVER, HE CLAIMED THAT WAPDA WOULD NOT REDUCE POWER TO AGRICULTURAL CONSUMERS, SO THAT TUBEWELLS COULD BE ALLOWED TO RUN CONTINUOUSLY, EXCEPT FOR "REST PERIOD" FROM 5 TO 9 PM. (NOTE: THAT

IS DAILY GENERAL PEAK LOAD PERIOD.) PAPER REPORTED THAT BUSINESSMEN PROPOSED IN RESPONSE THAT ALL COMMERCIAL CONCERNS AND SHOPS BE CLOSED DAILY AT 5 PM, EXCEPT FOR HOTELS AND RESTAURANTS. THEY FURTHER SUGGESTED THAT PUBLIC BE ASKED TO TURN OFF RADIOS AND TELEVISION SETS DURING PEAK LOAD HOURS AND AGREED TO INITIATE POWER CONSERVATION DRIVES IN THEIR OWN INDUSTRIES AND ASSOCIATIONS.

4. TO FURTHER COMPLICATE MATTERS, LAHORE PRESS NOV 14 REPORTED SUDDEN SHORTAGE OF KEROSENE, DIESEL FUEL AND AUTOMOTIVE LUBRICATING OILS. ACCORDING TO IMROZE, KEROSENE HAS RISEN TO RS. 4 PER GALLON (GOVERNMENT-CONTROLLED PRICE IS RS. 3.25 PER GALLON) AND MOST CUSTOMERS WHO BUY FROM ITINERANT CART PEDDLERS ARE PAYING RS 4.50 PER GALLON. MOREOVER, PAPER ASSERTED, KEROSENE IS NOT AVAILABLE AT ALL IN SOME LOCALITIES. PAPER COULD NOT SPECIFY REASON FOR PRICE RISE AND SCARCITY BUT SPECULATED THAT OIL COMPANIES, IN EXPECTATION OF FURTHER INCREASES IN PETROLEUM PRICES, HAD TEMPORARILY WITHHELD DISTRIBUTION. SIMILAR STORIES WERE PRINTED IN MUSAWAT AND PAKISTAN TIMES, ABOUT SUPPLIES AND PRICES OF DIESEL FUEL AND LUBRICATING OIL, AND WERE GENERALLY CONFIRMED BY CONGEN SOURCES AT ESSO AND CALTEX. SOURCES ADDED THAT THEY BELIEVED STOCKS WERE BEING WITHHELD BY KARACHI OFFICES IN EXPECTATION OF PRICE INCREASES TO BE ANNOUNCED ABOUT NOV 15. THEY PREDICTED THAT LUBE OIL PRICES WOULD BE RAISED BY RS 10 TO ABOUT RS. 31 PER GALLON.

5. COMMENT: THE LAST TIME PUNJAB GOVERNMENT WAS FACED WITH SERIOUS COMPLAINTS ON SUCH ISSUES WAS ABOUT A YEAR AGO AND CONCERNED FERTILIZERS AND SEEDS. GOVERNMENT TOOK OCCASION TO INTERVENE AND NATIONALIZE SALES AND LIMITED OFFICIAL USE

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PAGE 04 LAHORE 01484 181215Z

DISTRIBUTION ORGANIZATIONS DEALING IN THOSE TWO COMMODITIES. IT IS ENTIRELY CONCEIVABLE IT COULD HAPPEN AGAIN, THIS TIME IN PETROLEUM INDUSTRY, ESPECIALLY SINCE POLITICAL OPPOSITION CAN BE EXPECTED TO SEIZE UPON PUBLIC COMPLAINTS IN EFFORT TO DISCREDIT GOVERNMENT. IT SHOULD BE NOTED THAT PRIME MINISTER BHUTTO IS SCHEDULED TO RETURN TO PROVINCE TO RESUME HIS "GRAND TOUR" ON DEC 1, AND SOME OBSERVERS THINK IT LIKELY THAT CHIEF MINISTER RAMAY AND HIS GOVERNMENT WILL MOVE TO TRY TO COPE WITH THE PETROLEUM ISSUE PRIOR TO THAT TIME, PROBABLY BY TAKING OVER CONTROL OF SALES AND DISTRIBUTION.

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**Disposition Authority:** cunninfx  
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